

European Banking Authority

28 April 2014

### **European Banking Authority**

Consultation Paper 2014-05: Draft Guidelines on the data collection exercise regarding high earners

Dear Sirs,

The Investment Management Association (IMA) is the trade body for the UK asset management industry, representing around EUR5 trillion of funds under management. Its member firms include managers of a wide range of asset classes for a wide range of clients, including institutional funds, authorised unit trusts and open ended investment companies.

We welcome the opportunity to comment on the latest consultation.

#### **Key messages**

We support the efforts of the authorities, at all levels, to implement remuneration requirements and, with regard to cross-border financial institutions, to align their approaches.

Our members that are in scope are essentially limited license investment firms, but also some limited activity investment firms. They merely act as agents for their clients. Their activities do not extend to the provision of credit, the acceptance of deposits or dealing on their own account, which recitals eight and nine, and article two of the regulation refer to with regard to credit and market risks. Therefore, a proportionate approach should be applied to them.

The treatment of groups, comprising firms in and out of the scope of CRD (IV), in terms of supervision, remuneration and reporting is not clear and requires resolution.

Firms may need time to obtain the more granular information required as many are restructuring and systems take time to develop.

We believe that as CRD IV/R came into force in 2014, the 2014 performance year would be more appropriate for the data collection, particularly further to the above.

#### **Conclusion**

The IMA looks forward to working with European standard setters to develop a framework that is appropriate and effective for all stakeholders.

Annex 1 to our letter contains our formal response to the consultation, and further specific observations and questions arising from the proposals.

We hope that you will find our comments useful. Please contact me by way of e-mail ([ihenry@investmentuk.org](mailto:ihenry@investmentuk.org)) or telephone on (00 44) (0) 20 7831 0898 should you require further information.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'I Henry', with a stylized flourish at the end.

Irving Henry

Prudential Specialist

Investment Management Association

## **Annex 1**

Q1: Are the subject matter and scope of the Guidelines sufficiently clear?

The subject matter is clear. However, with regard to scope, the treatment of groups, comprising firms in and out of the scope of CRD (IV), in terms of supervision, remuneration and reporting is not clear and requires resolution, at least in the United Kingdom.

Q2: Is the information to be submitted to the EBA sufficiently clear?

Yes.

Q3: Is the template in Annex 1 appropriate and sufficiently clear?

Yes.

Q4: Are the reporting period and the specific amounts to be reported sufficiently clear?

Yes.

Q5: Are the indicated time periods sufficient to ensure that the data for 2013 can be collected in line with the updated Guidelines?

We believe that as CRD IV/R came into force in 2014, the 2014 performance year would be more appropriate for the data collection. As stated above, the treatment of groups has yet to be resolved and systems development takes time.

Q6: Do you agree with our analysis of the impact of the proposals in this Consultation Paper? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?

As the treatment of groups has yet to be resolved and systems development takes time, firms may have to go through the exercise to comply and then find out that they are no longer in scope.